

Message Text

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FM SECSTATE WASHDC

TO AMCONSUL HONG KONG

USLO PEKING

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FOLLOWING TEL SENT ACTION SECSTATE FROM USUN APRIL 20:

QUOTE E.O. 11652: N/A

TAGS: EGEN, UNGA

SUBJ: UNG SPECIAL SESSION: AD HOC COMMITTEE/WORKING GROUP

1. FRIDAY AM SESSION'S WORKING GROUP CONTINUED DISCUSSION ON SPECIAL PROGRAM FOR MOST SERIOUSLY AFFECTED COUNTRIES. BRIEF STATEMENTS MADE BY NORWAY, IRAN, MADAGASCAR, AUSTRALIA, INDIA, SWEDEN, BRAZIL, FRG, MOROCCO AND UK.

2. PAKISTAN ENDORSED ALGERIAN APPROACH; INDICATED THAT WORKING GROUP SHOULD DEAL WITH NATURE OF PROBLEM, SCOPE, MEASURES TO BE TAKEN AND BY WHOM, AS OUTLINE FOR SUBSEQUENT REPORT THIS ITEM. PAKISTANI DEL M. AKRAM ALSO INDICATED THAT LDC NEEDS IN 1974 AMOUNTED TO \$10 BILLION PER SOME ESTIMATES, ALTHOUGH EMERGENCY AND DEVELOPMENT NEEDS INDICATE AS MUCH AS \$30 BILLION NEEDED IN PAKISTANI VIEW. AID SHOULD BE PROVIDED THROUGH BOTH BILATERAL AND MULTILATERAL INSTITUTIONS. HE SAID THAT QUICKEST WAY TO HELP LDC'S WOULD BE, FOR EXAMPLE, CANCELLATION OF ALL EXTERNAL DEBTS FOR WHICH DEBT SERVING FOR LDCS AMOUNTED TO \$9 BILLION PER YEAR. US DREW ATTENTION TO WORLD BANK STUDY WITH ESTIMATE OF REQUIREMENTS FOR ABOUT \$1 BILLION IN 1974 AND \$2 BILLION IN 1975 FOR COUNTRIES FOR WHICH ONLY CONCESSIONAL TERMS ARE APPROPRIATE. US SUGGESTED THAT WE SHOULD NOT OVER-MAGNIFY

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PROBLEM FOR IT WOULD ENCOURAGE BELIEF THAT PROBLEM IS BEYOND OUR

CAPACITIES AND DISCOURGAE EFFORTS TO DEAL WITH IT. US ALSO NOTED REPORTS OF ASSISTANCE PLANS BY IRAN AND ALGERIA AND ASKED FOR SIMILAR STATEMENTS BY OTHER COUNTRIES WITH LIQUID RESOURCES WHICH HAD INDICATED EXISTENCE OF AID PLANS BUT NOT YET MADE ANY DETAILS AVAILABLE TO COMMITTEE. THIS SUGGESTION WAS FOLLOWED BY STATEMENT FROM KUWAIT WHICH INDICATED BRIEFLY ITS PLANS TO INCREASE CAPITAL OF KUWAITI FUND FROM \$600 MILLION TO \$3,000 MILLION OF CAPITAL WITH CAPACITY TO BORROW UP TO AN ADDITIONAL \$6 BILLION. THIS FUND WAS AVAILABLE FOR AID TO ANY DEVELOPING COUNTRY WHATEVER ITS IDEOLOGICAL AFFILIATION. KUWAITI DEL AID ALSO THAT AID WAS 7-8 PERCENT OF ITS GNP, IN CONTRAST TO DEVELOPED COUNTRIES' ASSISTANCE WHICH FELL FROM .4 TO .27 PERCENT OF GNP IN 1972.

3. CHINA REP STATED USUAL POSITION THAT LDCS WERE SUBJECTED TO IRRATIONAL EXPLOITATION IN THE PAST, AGREED WITH PAKISTANI STATEMENT ON DEBT, AND FELT THAT MEASURES TO RELIEVE SITUATION SHOULD BE FURTHER DISCUSSED. PRC ALSO STATED THAT WORLD BANK HAD IGNORED 26 UNGA RESOLUTION 2758 AND RETAINED "CHIANG KAI-CHEK'S CLIQUE" IN BANK. ALSO SAID THAT SINCE WORLD BANK AND IMF WERE "MANIPULATED BY SUPER-POWERS, ESPECIALLY ONE" LDCS COULD NOT EXPECT THEM TO DO ANYTHING FAVORABLE FOR DEVELOPING COUNTRIES. UK DEL REQUESTED PROVISION FOR SOME INSTITUTION TO MONITOR ASSISTANCE BEING MADE AVAILABLE TO HARDEST HIT COUNTRIES.

4. YUGOSLAVIA NOTED PREVIOUS STATEMENTS AND SUGGESTED THAT TIME HAS COME TO COMBINE INTO ONE PROPOSAL THE VARIOUS SUGGESTIONS SUCH AS CANCELLATION OF DEBT, PROVISION OF COMMODITIES, THE USE OF THE CAPITAL DEVELOPMENT FUND AS MACHINERY FOR QUICK DISTRIBUTION OF ASSISTANCE. THE WORKING GROUP TEXT HE FELT SHOULD REFLECT THE POLITICAL NEED OF THE GA TO ACT ON URGENT MEASURES FOR LDCS AND THE GROUP SHOULD THEN MOVE TO DISCUSS OTHER RAW MATERIAL AND DEVELOPMENT ISSUES OVER THE LONGER TERMS.

5. CHAIRMAN ASKED THE PAKISTANI VICE CHAIRMAN/RAPPORTEUR TO PREPARE A DRAFT ON THE SPECIAL MEASURES' ITEM FOR CONSIDERATION BY SELECT SUB-GROUP. SUB-GROUP SCHEDULED TO MEET CONCURRENTLY WITH WORKING GROUP FRIDAY PM AND WOULD INCLUDE REPS FROM ALGERIA, AUSTRALIA, BRAZIL, INDIA, IRAN, KUWAIT, MADAGASCAR, NETHERLANDS, NORWAY, SRI LANKA, SUDAN, US AND VENEZUELA PLUS PAKISTAN AND REPPORTEUR.

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6. COMMENT: THIS GROUP CLEARLY UNBALANCED AND EUROPEANS PARTICULARLY FEEL OFFENDED. NETHERLANDS AND SRI LANKA DELS HAVE SAID NOTHING IN COURSE THIS DEATE AND A NUMBER OF OTHERS IN THE GROUP HAVE SAID VERY LITTLE. WE EXPECT AS MINIMUM THAT JAPAN WILL JOIN GROUP ON THEIR OWN INVITATION. DISCUSSION IN COMMITTEE WAS SLOW AND SPEAKERS WERE RELUCTANT TO TAKE THE FLOOR. KUWAIT RESPONSE WAS ENCOURAGING, YUGOSLAVIAN SUGGESTION WAS TIMELY AND ALL WERE READY TO MOVE THIS

TOPIC TO A SUB-GROUP. SCALI UNQUOTE
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